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BCMCMC 371

Credit Based VI Semester B.Com. Degree Examination, Sept./Oct. 2021
(Semester Scheme) (Elective)
(Common to All Batches)
COMMERCE
Business Taxation – IV
(GST and Customs Duty)

Time : 3 Hours

Max. Marks : 120

Instruction : Give working notes *wherever necessary*.

SECTION – A

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Answer **any four** of the following questions :

(4×6=24)

1. What is Goods and Service Tax ? State the types of GST.
2. Rituparna Private Ltd. is having its manufacturing units at Mangalore and Chennai. It also has service unit at Mysore. From following information calculate aggregate turnover for the year 2020-21:
 - a) Sold goods from Mangalore unit to a dealer at Delhi for Rs. 25,00,000.
 - b) Supplied goods from Chennai unit to U.K. for Rs. 20,00,000.
 - c) Rendered service from Mysore unit to a person located in Hubli for Rs. 1,00,000.
 - d) Mangalore unit supplies non-taxable goods to Mr. Narayan at Bangalore for Rs. 2,50,000.
 - e) Supplied goods from Mangalore unit to SEZ located in Delhi for Rs. 5,00,000.
 - f) Total IGST and CGST paid by Rituparna Private Ltd. for the year Rs. 3,00,000.
 - g) Supplied goods which are exempt from tax from Chennai unit to a dealer at Dharwad for Rs. 20,000.

P.T.O.



3. Determine the time of supply of goods in each of the following independent cases :

Sl. No.	Date of Removal of Goods	Date of Issue of Invoice	Date of Payment	Date of Receipt Shown by Recipient
1.	25-08-2020	25-08-2020	05-09-2020	01-09-2020
2.	25-08-2020	21-08-2020	04-09-2020	01-09-2020
3.	25-08-2020	24-08-2020	16-08-2020	01-09-2020
4.	25-08-2020	23-08-2020	05-09-2020	23-08-2020

4. Who are the persons liable for registration under GST ?
5. What is mixed supply ? Give example.
6. Determine the duty payable by Mr. Chinmay from the following details :
- Assessable value of imported goods Rs. 5,00,000.
 - Basic customs duty payable @ 10%.
 - Social Welfare Surcharge @ 10%.
 - Goods is liable for payment of safeguard duty @ 15% on Assessable value.
 - IGST @ 12% and Compensation cess @ 28%.

SECTION – B

Answer **any four** of the following questions :

(4×12=48)

7. Explain the salient features of GST.
8. Mr. Vinod is a registered dealer in Bhopal (Madhya Pradesh). From the following particulars, compute turnover which is taxable under IGST and IGST payable.
- Product C worth Rs. 2,04,000 sold to a registered dealer of Punjab @ 28%.
 - Product M amounting to Rs. 2,00,000 supplied to dealer of Srinagar @ 12%.
 - Product B worth Rs. 2,20,000 were transferred to their branch at Kolkata IGST @ 18%.
 - Commodity Z worth Rs. 3,00,000 supplied to a Job worker of Bangalore @ 12%.



- 5) Ayurvedic medicines worth Rs. 1,64,800 are sold to the registered dealer of Maharashtra @ 12%.
 - 6) Product S worth Rs. 54,000 are sold to the registered dealer of Uttar Pradesh @ 5%.
 - 7) Product G rated @ 5% amounting to Rs. 3,10,000 were sold to firm of London in the course of export outside India.
 - 8) Product S worth Rs. 5,40,000 are sold to a registered dealer of Kerala @ 5%.
 - 9) Commodity X imported from UK for Rs. 8,00,000 (IGST @ 12%).
 - 10) Sale of Petroleum products to a registered dealer in UP for Rs. 2,50,000.
 - 11) Supplied product L worth Rs. 8,00,000 to dealer in Bhopal @ 5%.
 - 12) Product R amounting to Rs. 3,45,000 sold to an unregistered dealer of Bhuvaneshwar 12%.
 - 13) Rendering a services worth Rs. 3,00,000 to a person of New Delhi @ 18%.
 - 14) Product S sold to a dealer of Arunachal Pradesh for Rs. 3,55,000 @ 5%.
9. From the following information furnished by a dealer in Karnataka. Compute the amount of taxable supply and IGST payable.

Particulars**Interstate supply****GST @12%****GST@18%**

Gross sale

8,00,000

3,50,000

It includes the following :

Packing charges

3,500

1,500

Design charges

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1,500

800

Trade discount

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800

300

Exports

24,000

-

Freight (shown separately)

2,000

700

Freight (not shown separately)

18,000

13,000

Goods returned within 3 months

1,500

1,200

Installation expenses (shown separately)

5,600

5,100

Goods rejected within 8 months

3,000

1,600

Sales outside the state

9,000

8,000

Commission for additional sales

3,500

1,500

Goods worth Rs. 70,000 was sold within the state (included in gross sales turnover of Rs. 3,50,000).



10. Mr. Vivek a dealer in Karnataka furnishes following details of transactions for the year 2020-21. Compute the turnover for the year 2020-21 and state whether he is eligible for composition levy under GST law ? If so calculate tax liability.
- Sold goods to Mr. X in Chamarajanagar Rs. 5,00,000.
 - Sold goods to Mr. Y in Mandya Rs. 2,00,000.
 - Sold goods to XYZ company in Bangalore Rs. 1,50,000.
 - The goods received from unregistered dealer Rs. 10,000.
 - Goods supplied to a job worker in Mysore Rs. 1,50,000 and returned after completion.
 - Supply of services to Mr. B for Rs. 4,00,000 at zero rate under GST.
 - The sale of goods to a merchant in Mysore Rs. 5,00,000.
 - Supply of goods to Bangalore Rs. 5,00,000.
 - Imported goods worth Rs. 8,00,000.
 - Purchased goods from Hyderabad for Rs. 10,00,000.
 - Supplied goods from his branch at Mandya for Rs. 5,00,000.
 - Sold food and drinks for Rs. 10,00,000.
11. Explain the different types of supply.
12. M/s. Narendra Printers, Mangalore imported 10 IBM computers from USA and a latest new printer from France and furnishes the following information :
- Price per computer is \$ 500 and printer is € 5,000.
 - Packing charges per computer \$ 10 and printer € 100.
 - Shipping charges up to New Mangalore Port for computers \$ 500 and for printer € 250.
 - Transit insurance \$ 500 for computers and € 150 for printer.
 - Brokerage paid to agent of exporters \$ 175 for computers and € 125 for printer.
 - Lorry freight for transporting computers and printer to M/s. Narendra Printers, Mangalore Rs. 3,000 and Rs. 2,000 respectively.
 - Rate of exchange: \$ = Rs. 64 and € = Rs. 74.
- Compute the assessable value for computers and printers.



SECTION – C

Answer **any two** of the following questions :

(2×24=48)

- 13. Briefly explain the benefits of GST.
- 14. From the following information you are required to calculate Value of Taxable Supply and CGST and SGST payable at 6% each.

The sale price of Rs.1, 50,000 does not include the following :

Particulars	Amount in Rs.
Pre-delivery inspection charges	10,000
Publicity expenses	25,000
Packing cost	15,000
Cost of special packing	5,000
Material purchased (Exclusive of GST)	10,000
Design and Development Charges	5,000
Royalty charges	4,000
Advertising charges	14,000
Servicing charges	5,000
Selling expenses	25,000
Freight charges	30,000
Installation and erecting expenses	6,000
Insurance cost	5,000
Transportation charges	6,000
Taxes, Duties, cesses, fees and charges	4,000
Incentives paid to sales personnel	5,000
Warranty expenses	3,000
Materials imported from UK (including BCD but excluding IGST)	10,000

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Rate of profit @ 10% on cost of supply.

But the selling price includes the following :

- a) Trade discount (it is allowed before or at the time of supply) Rs. 10,000
- b) Cost of durable and returnable packing Rs. 5,000
- c) Mark up @ 10% on cost of supply.



15. Mr. Ramanand a dealer of Mysore submits the following information in relation to manufacture and selling of a machine. Compute the net tax payable by Ramanand.

Particulars	Rs.
Import of raw materials (excluding BCD @ 10% and IGST @ 12%)	2,40,000
Raw materials purchased from Mangalore (including GST @ 28%)	2,81,600
Raw materials purchased from Goa (including GST @ 5%)	63,000
Subsidy received from an NGO which was directly related to price of the machine	13,000
Penalty levied by Mr. Pavan for delayed payment	575
Subsidy received from Central Govt. which directly linked to the price of the output	34,000
Additional incentives paid to the employees of sales department	5,000
Warranty charges	6,100
Manufacturing expenses	6,000
Service received from a registered dealer of Bengaluru to manufacture a machinery @ 18% GST	23,000

Along with the machine he supplied 3 different components at a fixed price of Rs. 25,000 each which are not naturally bundled. The GST rate of the three products is 5%, 12%, and 28% respectively.

Mr. Ramanand sold the machine to Mr. Pradeep a registered dealer in New Delhi at a profit of 15% on the cost of production and the rate of GST on such sale is 18%.

16. Nakshatra Ltd., imported 25 machines from Japan @ 65,000 Yens per machine. However, the following expenses are not included in the price of the machine.
- a) Design and development charges 15,000 Yens.
 - b) Importer supplied moulds to supplier which cost of 9,000 Yens.
 - c) Packing charges 9,800 Yens.
 - d) Containers are used to pack the machine which cost 1,600 yens per container.
 - e) Brokerage 8,000 Yens.



- f) Buying commission paid to an agent for representing Nakshatra Ltd., in Indian Rupees Rs. 4,500.
- g) Transportation charges incurred by Nakshatra Ltd., from port to godown Rs. 2,300.
- h) Insurance premium paid in India from port to godown Rs. 800.
- i) Octroi Rs. 300.
- j) Technical know-how rendered by Nakshatra Ltd., to supplier cost of Rs. 2,800.
- k) Exporter paid cost of transport and insurance on machinery upto Indian port, but details are not available.
- l) Rate of duty: BCD @ 10% Social welfare surcharge as applicable.
- m) IGST payable as per GST law @ 12%.
- n) Compensation cess applicable @ 18%.
- o) As per Notification issued by the Government of India, Safeguard duty has been imposed on @ 30% and anti-dumping duty @ 10% on Assessable value.

From the above information, you are required to calculate customs value for purpose of determination of duty liability and also calculate duty payable. Exchange rate specified by is CBIC is 1 Yen = Rs. 0.53. Rate of BCD 10%, IGST @ 12%, compensation cess @ 20%.

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